



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

DAVE GOETZ
COMMISSIONER

FOR IMMEDIATE RELEASE
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JANUARY REVENUES

NASHVILLE - Business tax collections offset a drop in sales tax collections for January in Tennessee. State Finance & Administration Commissioner Dave Goetz today reported that overall January revenues were nearly \$1.1 billion and \$110,000 less than the state budgeted.

"This is the first time in more than three decades that sales tax receipts for December dropped below the previous year, yielding a negative growth rate," Goetz said. "It confirms what retailers have already reported, that consumer spending was disappointing in December."

On an accrual basis, January is the sixth month in the 2007-2008 fiscal year.

The general fund was over collected by \$3.0 million and the four other funds were under collected by \$3.1 million.

Sales tax collections were \$26.6 million less than the estimate for January. The January growth rate was a negative 1.36%. For six months revenues are under collected by \$86.1 million. The year-to-date growth rate for six months was 2.39%.

Franchise and excise taxes combined were \$37.8 million above the budgeted estimate of \$142.8 million. For six months revenues are under collected by \$35.7 million.

Gasoline and motor fuel collections for January decreased by 10.53% and were \$171,000 below the budgeted estimate of \$71.5 million. For six months revenues are over collected by \$2.0 million.

Tobacco tax collections were \$3.3 million below the budgeted estimate of \$26.5 million, and for six months they are \$43.6 million under the budgeted estimate.

Year-to-date collections for six months were \$182.2 million less than the budgeted estimate. The general fund was under collected by \$183.2 million and the four other funds were over collected by \$1.0 million.

The budgeted revenue estimates for 2007-2008 are based on the State Funding Board's consensus recommendation adopted by the first session of the 105th General Assembly in June of 2007.

<p style="text-align: center;">REVENUE COLLECTIONS JANUARY, 2008, AND 6 MONTHS YEAR-TO-DATE</p>
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January Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$896,157,000	\$899,130,000	\$2,973,000
Highway Fund	56,217,000	54,848,000	(1,369,000)
Sinking Fund	27,620,000	27,395,000	(225,000)
City & County Fund	69,912,000	68,349,000	(1,563,000)
Earmarked Fund	3,315,000	3,389,000	74,000
Total	\$1,053,221,000	\$1,053,111,000	(\$110,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$4,615,460,000	\$4,432,234,000	(\$183,226,000)
Highway Fund	340,242,000	340,222,000	(20,000)
Sinking Fund	160,692,000	159,937,000	(755,000)
City & County Fund	383,955,000	385,645,000	1,690,000
Earmarked Fund	17,199,000	17,302,000	103,000
Total	\$5,517,548,000	\$5,335,340,000	(\$182,208,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	January			
	2007	2008	Change	Percent
Franchise & Excise	\$131,419,000	\$180,620,000	\$49,201,000	37.44%
Income	6,670,000	4,730,000	-1,940,000	-29.09%
Inheritance & Estate	3,071,000	5,237,000	2,166,000	70.53%
Gasoline	56,418,000	52,294,000	-4,124,000	-7.31%
Petroleum Special	5,786,000	6,409,000	623,000	10.77%
Tobacco	8,152,000	23,189,000	15,037,000	184.46%
Beer	1,247,000	1,236,000	-11,000	-0.88%
Motor Vehicle Registration	17,570,000	17,026,000	-544,000	-3.10%
Motor Vehicle Title	927,000	826,000	-101,000	-10.90%
Mixed Drink	5,123,000	5,063,000	-60,000	-1.17%
Business	1,234,000	1,072,000	-162,000	-13.13%
Privilege	25,771,000	22,405,000	-3,366,000	-13.06%
Gross Receipts	69,000	-163,000	-232,000	-336.23%
TVA - In Lieu of Tax Payments	21,115,000	22,011,000	896,000	4.24%
Alcoholic Beverage	4,854,000	5,026,000	172,000	3.54%
Sales and Use	702,671,000	693,110,000	-9,561,000	-1.36%
Motor Vehicle Fuel	17,470,000	12,581,000	-4,889,000	-27.99%
Severance	171,000	289,000	118,000	69.01%
Coin-operated Amusement	2,000	5,000	3,000	150.00%
Unauthorized Substance	115,000	145,000	30,000	26.09%
Total	\$1,009,855,000	\$1,053,111,000	\$43,256,000	4.28%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - January			
	2006-2007	2007-2008	Change	Percent
Franchise & Excise	\$695,250,000	\$693,875,000	-\$1,375,000	-0.20%
Income	18,147,000	16,787,000	-1,360,000	-7.49%
Inheritance & Estate	51,769,000	44,727,000	-7,042,000	-13.60%
Gasoline	311,562,000	313,682,000	2,120,000	0.68%
Petroleum Special	33,127,000	33,212,000	85,000	0.26%
Tobacco	60,981,000	133,754,000	72,773,000	119.34%
Beer	8,870,000	9,332,000	462,000	5.21%
Motor Vehicle Registration	111,246,000	108,624,000	-2,622,000	-2.36%
Motor Vehicle Title	5,441,000	5,219,000	-222,000	-4.08%
Mixed Drink	26,480,000	27,445,000	965,000	3.64%
Business	9,290,000	9,660,000	370,000	3.98%
Privilege	146,218,000	137,500,000	-8,718,000	-5.96%
Gross Receipts	14,319,000	13,920,000	-399,000	-2.79%
TVA - In Lieu of Tax Payments	120,791,000	138,263,000	17,472,000	14.46%
Alcoholic Beverage	21,371,000	22,585,000	1,214,000	5.68%
Sales and Use	3,451,921,000	3,534,546,000	82,625,000	2.39%
Motor Vehicle Fuel	92,979,000	89,954,000	-3,025,000	-3.25%
Severance	746,000	1,121,000	375,000	50.27%
Coin-operated Amusement	87,000	58,000	-29,000	-33.33%
Unauthorized Substance	864,000	1,076,000	212,000	24.54%
Total	\$5,181,459,000	\$5,335,340,000	\$153,881,000	2.97%

Table 3
August - January Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (82,100,000)	\$ (4,000,000)	\$ (86,100,000)
Income Tax	(1,600,000)	(800,000)	(2,400,000)
Inheritance Tax	(2,600,000)	0	(2,600,000)
Privilege Tax	(23,200,000)	100,000	(23,100,000)
Business Tax	700,000	0	700,000
TVA	4,900,000	3,600,000	8,500,000
Gross Receipts	(800,000)	0	(800,000)
Gasoline & Motor Fuel Taxes	100,000	1,900,000	2,000,000
Motor Vehicle Registration	400,000	(200,000)	200,000
Other Taxes	(43,300,000)	400,000	(42,900,000)
Sub-Total	\$ (147,500,000)	\$ 1,000,000	\$ (146,500,000)
F & E Taxes	(35,700,000)	0	(35,700,000)
Total	\$ (183,200,000)	\$ 1,000,000	\$ (182,200,000)